

NORTH CAROLINA GENERAL ASSEMBLY  
1965 SESSION

CHAPTER 1191  
HOUSE BILL 880

1 AN ACT TO AMEND THE GENERAL STATUTES OF NORTH CAROLINA BY ADDING,  
2 IN CHAPTER 18 OF THE GENERAL STATUTES OF NORTH CAROLINA, A  
3 SECTION NUMBERED 18-69.2 TO MAKE IT UNLAWFUL TO COERCE, ATTEMPT  
4 TO COERCE, OR PERSUADE PERSONS LICENSED TO SELL BEER AT  
5 WHOLESALE TO VIOLATE ANY PROVISIONS OF CHAPTER 18 OF THE  
6 GENERAL STATUTES OF NORTH CAROLINA OR ANY RULES PROMULGATED  
7 UNDER SAID CHAPTER BY THE BOARD OF ALCOHOLIC CONTROL OF NORTH  
8 CAROLINA, OR TO CANCEL THE AGREEMENT, CONTRACT OR FRANCHISE OF  
9 SUCH PERSONS; AND TO PROVIDE FOR INJUNCTIVE RELIEF.

10  
11 The General Assembly of North Carolina do enact:

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13       **Section 1.** The General Statutes of North Carolina are hereby amended by adding,  
14 in Chapter 18 thereof, a Section to be numbered 18-69.2, to read as follows:

15       **"18-69.2.** (a) It shall be unlawful, and punishable as provided in Section 18-108, for any  
16 brewery or any officer, agent, or representative of any brewery:

- 17           (1) To coerce, or attempt to coerce, or persuade, any person licensed to sell beer  
18 at wholesale, to enter into any agreement to take any action which would  
19 violate or tend to violate any provision of Chapter 18 of the General Statutes  
20 of North Carolina, or any rules or regulations promulgated by the Board of  
21 Alcoholic Control of the State of North Carolina in accordance therewith; or  
22           (2) To unfairly, without due regard to the equities of such wholesaler, or without  
23 just cause or provocation, to cancel or terminate any agreement or contract,  
24 written or oral, or the franchise of such wholesaler existing on January 1,  
25 1965, or thereafter entered into, to sell beer manufactured by the brewery;  
26 provided, also, that, from and after the date of the ratification of this Act, this  
27 provision shall be a part of any franchise, contract, agreement or  
28 understanding, whether written or oral, between any wholesale dealer in beer  
29 licensed to do business in North Carolina, and any brewery doing business  
30 with such licensed wholesaler, just as though said provision had been  
31 specifically agreed upon between said wholesaler and said brewery.

32       "(b) The doing or accomplishment of any of the following acts shall constitute prima-  
33 facie evidence of a contractual franchise relationship within the contemplation of this Act, as  
34 between a licensed malt beverage wholesaler and a brewery, to wit:

- 35           (1) The shipment, the preparation for shipment, or acceptance of any order by  
36 any brewery or its agent for any malt beverage, to a licensed wholesale  
37 distributor within the State of North Carolina.  
38           (2) The payment by any licensed wholesale distributor in the State or the  
39 acceptance of payment by any brewery or its agent for the shipment of an  
40 order of malt beverage intended for sale within the State.

41       "(c) The Superior Court of North Carolina is hereby vested with jurisdiction and power  
42 to enjoin the cancellation or termination of a franchise or agreement between a wholesaler of  
43 beer and a brewery, at the instance of such wholesaler who is or might be adversely affected by

1 such cancellation or termination, and, in granting an injunction, the Superior Court of North  
2 Carolina shall provide that no brewery shall supply the customers or territory of the wholesaler  
3 through servicing said territory or customers through other distributors or means, while said  
4 injunction is in effect.

5       "(d) The Board of Alcoholic Control, State of North Carolina, is empowered to  
6 investigate any violations of this Act and to furnish to the prosecuting attorney of any court  
7 having jurisdiction of the offense information with respect to any violations of this Act, and the  
8 Board of Alcoholic Control, State of North Carolina, shall have the power to enforce  
9 conformance with the provisions of any injunction granted by the Superior Court under the  
10 terms of this Act, and, if the Court finds that there has been a violation of the provisions of any  
11 injunction granted by it, the Board of Alcoholic Control of North Carolina may revoke or  
12 suspend the license of any wholesaler and the license or permit of any brewery to ship beer into  
13 the State of North Carolina."

14       **Sec. 2.** All laws and clauses of laws in conflict with the provisions of this Act are  
15 hereby repealed.

16       **Sec. 3.** This Act shall be in full force and effect from and after its ratification.

17                  In the General Assembly read three times and ratified, this the 17th day of June,  
18 1965.